

Message Text

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64

ACTION OPR-02

INFO OCT-01 EUR-12 ISO-00 L-03 ABF-01 A-01 MMO-04 H-02

DODE-00 ST-01 /027 W

----- 126330

R 250852Z FEB 76

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC 5350

UNCLAS BUDAPEST 0592

EO 11652: N/A

TAGS: AREC HU

SUBJECT: NON-APPROPRIATED FUND ACTIVITES - PROCUREMENT STUDY

REF: STATE 035798

THE FOLLOWING INFORMATION IS PROVIDED ABOUT (1) EMBASSY COMMISSARY AND (2) AIR FREE GOLF CLUB, THE NAF ACTIVITIES IN BUDAPEST. INFORMATION REQUESTED ITEM 12 WILL BE SENT AIR POUCH TO A/O.

EMBASSY COMMISARY

TASK NO. 1

A. COMMISSARY DOES NOT HAVE WRITTEN INSTRUCTIONS FOR PROCURE-
MENT. EVERY THREE MONTHS THE COMMISSARY MANAGER SUGGESTS
TO THE BOARD OF GOVERNORS A LIST OF ITEMS TO BE PURCHASED
TO REPLENISH COMMISSARY STOCKS. THE BOARD CHAIRMAN
REVIEWS THE LIST, MAKES ADDITIONS OR DELETIONS, AND
AUTHORIZES THE PURCHASE.

B. THE MANAGER AND THE BOARD OF GOVERNORS.

C. EMPLOYEE-EMPLOYER.

1. THE FINAL DECISION TO PROCURE GOODS AND SERVICES
IS MADE BY THE BOARD OF GOVERNORS.

D. MEMBERS' SUGGESTIONS DETERMINE SOURCES. BOARD
CONSIDERS SHIPPING EXPENSES, AVAILABILITY OF BRAND
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NAMES DESIRED, COSTS OF ITEMS.

1. THE BOARD OF GOVERNORS MAKES THE DETERMINATION.

E. PURCHASE DURING 1975:

1. \$6,672 (14 PERCENT)
2. NONE
3. \$23,890 (43 PERCENT)
4. \$20,907 (37 PERCENT)
5. \$3,519 (6 PERCENT)
6. NONE.

F. ORDERING RECURRING ITEMS: COMMISSARY MANAGER SELECTS ITEMS TO PROCURED FROM SUPPLIERS' CATALOGS. AFTER COST OF ITEMS HAS BEEN APPROVED BY BOARD OF GOVERNORS, ORDER FOR PROCUREMENT OF GOODS IS SENT PREPAID DIRECT TO VENDOR.

NEW SUPPLY SOURCE: COMMISSARY MANAGER WILL REQUEST INFORMATION FROM POTENTIAL SOURCES OF SUPPLY. COMMISSARY MEMBERS WILL BE CONSULTED TO DETERMINE WHICH SOURCE WILL SUPPLY ITEM, BASED ON AVAILABILITY, PRICE, TRANSPORTATION COSTS.

UPON RECEIPT OF GOODS, TWO MEMBERS OF THE COMMISSARY ASSOCIATION CHECK IN THE ITEMS AGAINST THE COPY OF THE ORIGINAL PURCHASE ORDER. ALL SHORTAGES OR BREAKAGES ARE REPORTED TO THE VENDOR FOR CREDIT OR REFUND.

TASK NO. 2

A. NO RECORD OF OUTSIDE AUDIT. COMMISSARY'S PART TIME BOOKKEEPER PREPARES MONTHLY STATEMENT AND BALANCE SHEET.

B. PHYSICAL INVENTORIES OF STOCK AND EQUIPMENT ARE CONDUCTED MONTHLY BY THE COMMISSARY MANAGER AND BOOKEEPER.

C. NONE

D. OTHER FACTORS BESIDES COSTS ARE AVAILABILITY OF FAMILIAR U.S. BRAND NAME PRODUCTS AND FREIGHT COSTS.

TASK NO. 3

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A. THERE HAVE BEEN NO SIGNIFICANT PROBLEMS INVOLVED IN THE PROCUREMENT PROCESS ESTABLISHED AT THIS POST.

B. THERE ARE NO UNUSUAL LIMITATIONS PLACED ON THE POST BY THE HOST GOVERNMENT. THE POST COMPLIES WITH HOST GOVERNMENT'S CUSTOMS REQUIREMENTS, INCLUDING INSPECTIONS OF IMPORTED GOODS.

TASK NO. 4

A. HIRED PERSONNEL INVOLVED IN A PROCUREMENT ACTIVITY SHOULD POSSESS A GOOD KNOWLEDGE OF BOOKKEEPING, STOCK CONTROL, AND WAREHOUSE MANAGEMENT. THEY SHOULD ALSO BE AWARE OF ALTERNATE SOURCES OF SUPPLY WHICH MAY AFFORD BETTER VALUE OR SERVICE TO THE COMMISSARY ASSOCIATION.

B. THE PRESENT COMMISSARY MANAGER HAS HAD 18 YEARS OF PROCUREMENT EXPERIENCE; HE SPEAKS FOUR FOREIGN LANGUAGES AND HAS A LAW DEGREE.

C. NONE.

D. NONE.

E. NONE.

F. REGARDLESS OF THE AMOUNT INVOLVED, ALL EXPENDITURES OF NAF MUST BE AUTHORIZED BY THE BOARD OF GOVERNORS.

G. NONE.

AIR FREE GOLF CLUB

TASK NO. 1

A. NO. CLUB MANAGER ORDERS. ORDERS REVIEWED AND APPROVED BY CLUB TREASURER.

B. CLUB MANAGER AND TREASURER.

C. CLUB MANAGER AND TREASURER.

1. MANAGER
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D. MANAGER LOCATES LEAST EXPENSIVE SOURCE, AVAILABLE LOCALLY.

1. MANAGER.

E. 1. \$2220 (50 PERCENT)

2. NONE

3. NONE

4. NONE

5. \$2220 (50 PERCENT)

6. NONE

F. MANAGER ORDERS, RECEIVES AND INSPECTS. TREASURER RESPONSIBLE FOR PAYMENT.

TASK NO. 2

A. NONE.

B. NONE.

C. NONE.

D. YES. AVAILABILITY.

TASK NO. 3

A. NO PROBLEMS.

B. NONE.

TASK NO. 4

A. AMERICAN EMBASSY DEPENDENT, WILLING TO ACT AS CLUB
MANAGER OR TREASURER.

B. NO SPECIAL QUALIFICATIONS; TRAINED BY PREDECESSORS.

C. ONE.

D. NONE.

E. NONE.

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F. SEE "B" ABOVE.

G. UP TO \$100.

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